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Ikura (salmon roe):

Report from a Meeting of Major Seafood Wholesalers on Market Trends for Ikura...

Chairman: Mr. Miyazaki (President, Maekawa Shoten, Nemura, Hokkaido):

Imports of North American ikura were 5,000 tons last year, an increase of 1,000 tons from the previous year. In contrast, the production of domestic ikura (from Hokkaido and Sanriku) fell 1,000 tons last year. How much ikura will be consumed for the upcoming Golden Week? What about inventory levels on the consumer side?

Mr. Honda (Chuo Gyorui Company, Tsukiji Wholesale Market):

Due to a price difference of 1,000 yen per kilo between imported ikura and domestic ikura, sales of domestic ikura at Tsukiji Market dropped drastically last year, and sales have continued to be low in the post-New Year period. This being the case, even if the demand should increase in the spring, consumption will not increase unless the high prices can be adjusted to include retail ads. Some supermarkets have sold ikura by reducing the weight of the packages from 100 grams to 60 - 90 grams. Inventories for salted ikura in Hokkaido have been low. However, the situation in retail shops and middle-level distribution channels have changed since Alaskan and Canadian ikura entered the Japanese year-round. In addition, 50% of the Russian masu (trout) roe, which was formerly used for soy-sauced products, is now being processed as ikura.

Miyazaki:

If this situation continues, the domestic ikura market will be taken over by farmed ikura in the future, just as wild salmon was taken over by farmed salmon. At last year's meeting, the view was that it was possible to share the market. What has happened since then?

Honda:

During these last few years, perhaps because of the orders for soy-sauce products, ikura deliveries to Tsukiji Market have decreased drastically. This has had a significant impact on the market. The opening of the O-Edo subway line between Shinjuku and Tsukiji last

year brought back many customers to shops around the Tsukiji Market. More PR is needed, not only for ikura, but also for all seafood. As the new season opens this will be an important factor for every product line. We intend to expand sales for the period of September to October.

Mr. Fukui (Ishikawa Chuo Gyorui Company, Ltd.):

There is a 2,000 yen per kilo price difference between domestic and North American ikura. We don't expect demand to increase during Golden Week. The situation is more difficult at the retail levels than at the wholesale level. If the price is high, the product won't move. We have to try and set a stable price range which will be constant throughout the year in order to compete with imported ikura. Otherwise, we won't be able to make it in the market.

Mr. Jinnai (President of Jinnai Company Ltd., Hyotsu):

The salmon fishery in Hyotsu last year went down from 17,000 tons to 6,000 tons, a total decrease of 11,000 tons. Salmon is the main seafood product in Hyotsu. We have an obligation to develop the market. We can't just say: "We'll only do business when the price is low but not when it's high." Last year's price hike was caused by reduced production, but there is also some concern about the Russian masu roe. Over 6,800 tons of masu roe was imported from Russia, 50% of which was marketed as ikura.

Miyazaki:

Soy-sauce ikura is suitable for use in kaiten-zushi (revolving sushi) restaurants and consumption is increasing because of the reasonable prices. At any rate, it will not sell if the price is too high. The problem is how to decrease the costs, as wages cannot be reduced any further. The shippers were not able to purchase based on their cost estimates, which means that any cost reduction would have to be made after the ikura is delivered to the plant. There is no way we can avoid restructuring the market in the future. The over 10,000 ton-market that we have worked so hard to carve out should not and cannot be allowed to fall to the 5,000 ton level. With the weakening yen, there may be a chance for domestic ikura to be marketed this fall.

(Nikkan Hokkai Keizai Newspaper, March 16, 2001)

Sujiko:

European trout, sujiko, totaled 900 tons last year - about the same as the previous year. With almost no supply from Norway last year, the high production levels forecasted at the beginning of the season did not materialize. Nevertheless, the overall catch was decent and producers were able to maintain the previous year's levels. Demand for sujiko is increasing due to the disappearance of North American sujiko and the high prices for Russian soy-sauce sujiko.

As European trout sujiko inventories were sold-out by year-end, there was a demand for the new year's product. This has accounted for the stable prices since shipments were first received. Major producers with no inventory are offering prices of 4,000 yen per kilo for good grade product and 3,800 yen per kilo for standard grade.

(Nikkan Hokkai Keizai Newspaper, dated March 17, 2001)

Coho, Trout, and Sockeye:

Frozen Chilean coho, dressed, in the 4-6 lb. range, is selling well at 520 yen per kilo. There is an overabundance of the larger 6-9 lb. size which is not selling - even with the prices set at 30 yen per kilo less than the importers' offered prices of 470 to 480 yen per kilo. Further price cuts are needed to increase retail sales.

Chilean trout has been selling well. The price of European trout is already rising in anticipation of deliveries of the new season in April. The price of the 1.8 to 2.7 kilo size (equal to 4-6 lb. of Chilean trout) has been increasing from 530 to 540 yen per kilo. However, the large-size European trout is not doing well, keeping prices below 500 yen per kilo.

Small quantity of North American salmon has been sold in markets in the Kansai region priced at 760 - 770 yen per kilo. If prices increase to 800 yen per kilo, the packers will put salmon on the market.

(Nikkan Hokkai Keizai Newspaper, March 20, 2001)